

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Philippines	Project Title:	Health System Enhancement to Address and Limit COVID-19
Lending/Financing Modality:	Project Loan	Department/Division:	Southeast Asia Department/Human and Social Development Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Poverty targeting: General intervention
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy
The HEAL will fund critical investments to strengthen the Philippines' health system and improve its responsiveness to health security threats by expanding medical services to improve testing, control, care, and treatment for COVID-19-affected population. It will operationalize the following key priorities of the National Action Plan for COVID-19 and the Inter-Agency Contingency Plan for Emerging Infectious Diseases: (i) increase the country's diagnostic capacity to determine the presence of COVID-19 in patients; (ii) enhance infection control measures in hospitals and other health facilities; and (iii) expand treatment capacity for COVID-19 cases. HEAL will contribute to the government's overarching development objectives articulated in the Philippine Development Plan, 2017–2022 for: (i) more inclusive growth by lowering poverty incidence; (ii) reducing vulnerability of individuals and families; and (iii) accelerating infrastructure development with specific reference to social infrastructure and health facilities. ^a It aligns with the DOH National Objectives for Health, which aim to have a more responsive health system and equitable healthcare financing. ^b Broadly, the loan will contribute to the achievement of SDG 1 (no poverty), 3 (health and well-being for all), 5 (gender equity), and 10 (reduce inequality). It will support the ADB Strategy 2030 operational priorities 1 (addressing remaining poverty and reducing inequalities), 2 (accelerating progress in gender equality), and 6 (strengthening governance and institutional capacity). ^c It will operationalize the third pillar of ADB's Philippines Country Partnership Strategy 2018–2023 on investing in people through human development and social protection. ^d
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence
<p>1. Key poverty and social issues. The poverty rate in the Philippines declined from 25.2% in 2012 to 23.3 % in 2015, and to 16.6% in 2018. Despite this decline, the absolute poverty and the risk of vulnerability remain high. Based on 2018 data on pre-COVID-19 poverty estimates for 2020, there were 5.7 million poor and near-poor families or 31.8 million individuals. Nearly 17.6 million people continue to live under the poverty line and 14.2 million just above the line, who are vulnerable to sliding back into poverty.^e The key causes of poverty and vulnerability include high inequality of income, underinvestment in human capital, catastrophic health expenditure, frequent disasters (natural- and human-induced), adverse effects of climate change, and conflict in certain areas. Poor families lack easy access to good quality public services and social protection, particularly education and health, resulting in inter-generational transfer of poverty. Catastrophic expenditure and health impoverishment pushed 0.8% or 0.8 million individuals (at \$1.9 in 2011 PPP) and 1.4% or 1.5 million individuals (at \$3.1 in 2011 PPP) below the poverty line.^f The Philippines' 2016 Health or Disability-Adjusted Life Expectancy indicate 59.1 years for males and 64.5 years for females at birth. Further, the Philippines' UHC coverage index was recorded at 61, behind most of its ASEAN counterparts.^g Broadly, there continues to be inequitable access to quality healthcare services in the Philippines, which results in poor health outcomes, and persistence of poverty and inequality. The COVID-19 pandemic has exacerbated these structural challenges. With COVID-19 community mitigation measures (such as the enhanced community quarantine) and economic disruptions, absolute poverty is at risk of increasing in the short-term due to the weak labor market, critical food shortages, reduced or eliminated household earnings, and a drastic decline in remittances. Over the medium-term, a slow economic recovery risks raising unemployment levels and suppressing earnings in the informal sector further as new labor market entrants outnumber the new jobs created. Structural poverty may persist and worsen as the access of poor families to social services is reduced and the total number in critical need of these services increases rapidly and exponentially. ADB estimates that 37% of the population will fall below the poverty line with COVID-19, compared to 26% without. Near poor, defined as individuals in households whose annual per capita income fall between 1 and 1.2 times the poverty line, will increase to 10.3%, compared to 9.9% before COVID-19.^h</p> <p>2. Beneficiaries. HEAL will benefit those who have either been affected or may be affected by the COVID-19 epidemic, directly or indirectly, across income levels, in particular, the poor and vulnerable segments of the society and the health frontline workers. It will upgrade disease surveillance and diagnostics, expand infection prevention and control measures, and treatment capacity of public health facilities that largely cater to healthcare needs of the poor and vulnerable, while protecting the health workers from contracting the virus.</p> <p>3. Impact channels. HEAL will provide infrastructure investment for selected at least 10 DOH hospitals, and equip 70 DOH hospitals, 33 other hospitals, and national and subnational reference laboratories with the necessary COVID-19 equipment and isolation rooms in the short- to medium-term. This will enhance the capacity of the public health system to address the country's weak health system, further strained by the COVID-19 epidemic, and be able to efficiently respond to the health care needs of affected population nationwide.</p> <p>4. Other social and poverty issues. Business establishments, firms, services, flow of goods and agricultural</p>

B. Indigenous Peoples	Safeguard Category: C										
<p>1. Key impacts. The proposed project will not have any direct or indirect impacts on the dignity, human rights, or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. NA.</p> <p>3. Plan or other actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><input type="checkbox"/> Indigenous peoples plan</td> <td style="width: 50%; border: none;"><input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Indigenous peoples planning framework</td> <td style="border: none;"><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Environmental and social management system arrangement</td> <td style="border: none;"><input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Social impact matrix</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;"><input checked="" type="checkbox"/> No action</td> <td style="border: none;"></td> </tr> </table>		<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan	<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary	<input type="checkbox"/> Social impact matrix		<input checked="" type="checkbox"/> No action	
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V. ADDRESSING OTHER SOCIAL RISKS											
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market: H. <input checked="" type="checkbox"/> unemployment <input checked="" type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input type="checkbox"/> core labor standards</p> <p>2. Labor market impact. The general improvement in the overall health and well-being of the population will result in resumption of economic activities and access to the labor market including for those working in the informal sector.</p>											
<p>B. Affordability. NA</p>											
<p>C. Communicable Diseases and Other Social Risks:</p> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> (H) Communicable diseases <input checked="" type="checkbox"/> (L) Human trafficking <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area. The rapid spread of COVID-19 is a public health security risk, which may lead to mass infection, serious illnesses and death, poverty and hunger leading to social unrest or dismantling of social cohesion.</p>											
VI. MONITORING AND EVALUATION											
<p>1. Targets and indicators. The project DMF provides indicators and targets. M&E will draw regularly on both qualitative and quantitative data for measuring progress towards achieving outcome and output targets. To the extent possible, data will be disaggregated by sex for the outcome and some output indicators.</p> <p>2. Required human resources. One full-time national health consultant and a part-time gender consultant will be engaged under the project for monitoring and evaluation of activities.</p> <p>3. Information in the project administration manual. DOH as the implementing agency will prepare and submit: (i) quarterly and annual progress reports; (ii) semi-annual safeguards monitoring reports; (iii) a midterm progress report on project outcome and outputs; and (iv) a completion report covering achievements, results of project activities, and a preliminary assessment of achieved benefits.</p> <p>4. Monitoring tools. Monitoring tools include COVID-19 situation reports, response updates, project progress and delivery reports, performance monitoring system, spot checks, and impact evaluation.</p>											

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, COVID-19 = coronavirus disease, DMF = design and monitoring framework, DOH = Department of Health, HEAL = Health System Enhancement to Address and Limit COVID-19, IPC = infection prevention and control, M&E = monitoring and evaluation, NA = not applicable, PHIC = Philippine Health Insurance Corporation, PPE = personal protective equipment, PPP = purchasing power parity, SDG = Sustainable Development Goals, UHC = Universal Health Care, WHO = World Health Organization.

^a National Economic and Development Authority. 2017. *Philippine Development Plan 2017–2022*. Pasig City.

^b DOH. 2018. *National Objectives for Health Philippines 2017–2022*. Manila.

^c ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

^d ADB. 2018. [Philippines, 2018–2023—High and Inclusive Growth](#). Manila.

^e Philippine Statistics Authority (PSA). [Philippine Poverty Statistics](#).

^f PSA. [Philippine National Health Accounts](#); and World Bank. [World Development Indicators](#).

^g WHO. 2019. [Primary Health Care on the Road to Universal Health Coverage. 2019 Monitoring Report](#). Geneva. HALE/DALE, a more comprehensive and nuanced indicator measuring both quantity and quality of life, has been used to estimate the phenomenon where advances in health care allow people to live longer, but unable to restore people to full health and productivity.

^h ADB. *forthcoming*. Poverty Impact of COVID in the Philippines. Manila.

Source: Asian Development Bank.